

OPPORTUNITIES IN THE AMERICAN RECOVERY AND REINVESTMENT ACT

About CFED

- CFED works to expand economic opportunity by helping more people save and invest, succeed as entrepreneurs, contribute to and benefit from the economy
- CFED operates at the nexus of public policy, private markets, and community practice by identifying and researching promising ideas, collaborating with public and private partners to test them, and driving the application of proven models

Goals for Today

- ❑ Discuss current opportunities in the *American Recovery and Reinvestment Act of 2009*
- ❑ Highlight tax changes in the recovery act that help low-income families.
- ❑ Note additional funding available to help low-income families and the agencies/organizations that serve them.
- ❑ Solicit feedback from advocates, practitioners and researchers.

What's in the Recovery Bill

- Increase/Expansion of Safety net programs
- Refundable Tax Credits
- Education Funding
- Community Development and Housing
- Other assistance programs
- Additional categories



Tax Credits and Public Benefits

- Make Work Pay Tax Credit: \$400 single filer/\$800 joint.
- Child Tax Credit: Beginning with \$3,000 in earnings.
- EITC Expansion.
- Increased and Extended Unemployment and SNAP (food stamp) benefits.
- \$8,000 First-time Homebuyer Tax Credit.

Public Benefits Cont...

- Temporary Increase of Federal Share of Medicaid.
- \$5 billion TANF Emergency Contingency Fund.
- \$4.2 billion to provide an additional Supplemental Security Income (SSI) and Social Security Disability Insurance Payment.

Community Development

- \$1 billion in Community Development Block Grant (CDBG) funding.
- \$2 billion in Neighborhood Stabilization Program (NSP) funds.
- \$1 billion in Community Services Block Grant funding.
- \$100 million to Community Development Financial Institutions (CDFIs).



Community Development Cont...

- \$3.95 billion to Workforce Investment Act.
- \$130 million for Rural Community Facilities Guaranteed Loans.
- \$30 million SBA Microlending Programs.
- \$150 million to Economic Development Administration.

Education and Youth

- \$2500 American Opportunity Tax Credit.
- Pell Grant Increase.
- \$3.95 billion to Workforce Investment Act.
 - \$1.2 billion for Summer Jobs for Youth.
 - \$500 million for people with disability vocational rehab.
 - \$120 million for community service jobs.
 - \$50 million for YouthBuild.

Participation for Low-Income Families and Communities

Parameters of the Legislation Include:

- ❑ 50% of funds should be for activities initiated no later than 120 days after passage.
- ❑ Formula Grants awarded no later than 30 days after enactment.
- ❑ Competitive Grant awarded no later than 90 days after enactment.
- ❑ Funds expended within 2 years.

Influence the Flow of Funds

- Comment on State and Local Action Plans.
- NOFAs.
 - Formula Grants (e.g. CDBG) awarded in 30 days.
 - Competitive (e.g. NSP funds) in 90 days.
- Promote Availability of Funds
- Use Tax Time



Other Funding Opportunities: President's FY 2010 Budget

- Extends Make Work Pay Tax Credit.
- Expands the Saver's Credit.
- Increases Retirement Security through Auto-IRA
- \$4.5 billion for CDBG.
- \$25 million in microloans.
- Expands the EITC.
- Increases and makes Pell Grant funding mandatory.
- Makes Permanent:
 - American Opportunity Tax Credit
 - Child Tax Credit

Resources

- www.cfed.org/go/advocacy
- www.recovery.gov



My Contact Information

Rosalyn Crain

(202) 468-6160

Rosalyn.crain@gmail.com

Jennifer Brooks

Director, State and Local Policy

CFED – Celebrating 30 Years of Expanding Economic Opportunity

353 Folsom Street

San Francisco, CA 94105

415.495.6976

415.495.7025 (fax)

jbrooks@cfed.org

www.cfed.org

www.cfed.org
202.408.9788

